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December 13, 2021

TRIAL MODIFICATION PLAN

Customer Name(s): PAUL THOMAS
CARLA THOMAS
Account Number: 0030756662
Property Address: 81 RHODES AVE
EWING, NJ 08638

SPS is sending this to you to provide information regarding the lien on the real property referenced above. Our records indicate that your obligation has either been discharged or is subject to an automatic stay order under the United States Bankruptcy Code. This notice and any enclosed documents are for compliance and informational purposes only and do not constitute a demand for payment or an attempt to collect such obligation. Even though your personal liability on the note may be discharged or subject to an automatic stay, the terms of the mortgage remain in effect and the owner of the mortgage, as lien holder, continues to have a lien on the real property.

SPS is pleased to inform you that you have been approved for a Trial Modification Plan (Plan). The terms of the Plan, including payment amounts and due dates, are listed below. In order for SPS to convert this trial modification plan to a permanent modification of your mortgage, you must remit all of your payments under the Plan timely.

The monthly plan payment is based on a calculation of what we project the new monthly payment will be under a permanent lien modification, if you make all payments under the trial plan. This payment consists of a monthly principal and interest payment of \$772.21, plus a monthly escrow amount of \$840.32, which equals a total monthly payment amount of \$1,612.53. The Plan payment was calculated based on the projected outstanding principal balance below:

Current Unpaid Principal Balance	\$316,492.83
Unpaid Accrued Interest	\$41,243.55
Escrow Advance	\$48,331.52
Expenses Paid by Servicer	\$4,417.87
Less Borrower Credits	\$22.79
Projected Unpaid Principal Balance	\$410,462.98

Please note: the amounts listed above are subject to change. You will be provided the specific terms of the permanent modification when you have completed the Trial Modification Plan.

Plan Acceptance

To accept the Plan, you must make your First Payment by the date indicated below. **The Plan will become active and valid only if SPS receives the First Payment by the scheduled date of your First Payment under the Plan.**

Plan Payments

Your Plan payments will take the place of your normal monthly mortgage payments during the term of the Plan. **You must make each of the below-listed payments by or before the listed due dates, or the Plan will be cancelled.** Your monthly Plan payments and due dates are as follows:

Payment	Due Date	Amount
Payment 1	01/01/2022	\$1,612.53
Payment 2	02/01/2022	\$1,612.53
Payment 3	03/01/2022	\$1,612.53



Form of Payment

You must make your first payment on or before the due date by certified funds. Certified funds include: Western Union Quick Collect (code city Oswald), cashier's check, money order or wire transfer (contact SPS at the number listed below for wire instructions). Subsequent payments must be made on or before the applicable due date and can be made by personal check, EZ pay via telephone or SPS's website, or by certified funds. Please send payments to:

PO Box 65450 Salt Lake City, UT 84165-0450

Overnight payments can be mailed directly to:

Select Portfolio Servicing, Inc.
Attn: Remittance Processing
3217 S. Decker Lake Dr., Salt Lake City, UT 84119

Application of Payments

Payments made under the Plan will be applied to amounts currently outstanding on your account. Funds may be held in a non-interest bearing account until they total an amount that is enough to pay the oldest delinquent monthly payment. Although these payments will not bring your account contractually current, they are required in order for SPS to forbear from proceeding with a foreclosure sale or commencing foreclosure proceedings and in order for SPS to convert this Plan to a permanent mortgage modification.

Plan Term

The Plan becomes effective as of the date that you make the First Payment shown above. The Plan will terminate upon SPS receiving the final payment before the end of the last day of the month in which it is due. Should you choose to not make any of the specified payments in full, by the due date, will also result in the termination of the Plan.

Forbearance

During the Plan term, SPS will not proceed to foreclosure sale or commence foreclosure proceedings on the above-referenced property, provided that you are making timely payments in compliance with the terms of the Plan. We may commence foreclosure proceedings or commence a sale of the property if you do not comply with the terms and conditions of the Plan.

Modification

If you make the required payments under the Plan and fulfill the terms of the Plan, SPS will permanently modify your mortgage terms. The Plan is not a credit application or credit commitment for the modification.

If there is any bankruptcy proceeding pending that includes the subject property, then you may need to obtain Bankruptcy Court approval of any permanent modification of the account.

TAX CONSEQUENCES OF LOAN MODIFICATIONS.

If you complete the offered trial plan and your loan is modified, your modification will include principal forgiveness. You will not be required to repay the amount of principal forgiven. However, there may be income tax consequences related to the loan modification.

Federal laws regarding the taxation of principal forgiveness changed under the Mortgage Forgiveness Debt Relief Act of 2007, which exempts certain borrowers from paying income tax on principal forgiveness mortgage modifications. That Act has been modified and extended several times since its passage, and currently extends through the 2025 tax year. As a result, certain borrowers who receive principal forgiveness mortgage modifications through December 31, 2025 may not have to pay income tax on the amount forgiven. Prior to the change in the law, the amount of principal forgiven was generally considered income to you in the year forgiven, unless you qualified for a tax exclusion. You may wish to consult with a tax advisor about these potential income tax consequences.

Below is an example of how this change in the law could affect a borrower like you.

Example: A borrower owes \$100,000 on the mortgage for their home. This year, the borrower enters into a loan modification agreement that forgives \$15,000 of the outstanding principal on the borrower's mortgage. When the \$15,000 is forgiven this year, the principal balance of the borrower's mortgage is reduced to \$85,000. Prior to the change in the law, the borrower would have been treated as receiving \$15,000 in taxable income this year and may have had to pay income tax on the \$15,000, even though the borrower did not receive this amount in cash. Now, as a result of the change in the law, the borrower may not have to pay income tax on the \$15,000, depending on a number of circumstances.

If you complete the offered trial plan and your loan is modified, SPS will notify the Internal Revenue Service of the amount of principal forgiven on IRS Form 1099-C, copies of which will be provided to *you by January 31st of the year following the loan modification.*

You can find additional information at <http://www.irs.gov>. You can also call the IRS taxpayer hotline at 1-800-829-1040.



TAX CONSEQUENCES OF LOAN MODIFICATIONS.

If you complete the offered trial plan and your loan is modified, your modification will include earned principal forgiveness. In other words, you may be eligible to have some of your principal forgiven each year on the anniversary of your first permanent modification payment date for three years. Once forgiven, you will not be required to repay these amounts. However, there may be income tax consequences related to the loan modification.

Federal laws regarding the taxation of principal forgiveness changed under the Mortgage Forgiveness Debt Relief Act of 2007, which exempts certain borrowers from paying income tax on principal forgiveness mortgage modifications. That Act has been modified and extended several times since its passage, and currently extends through the 2025 tax year. As a result, certain borrowers who receive principal forgiveness mortgage modifications through December 31, 2025 may not have to pay income tax on the amount forgiven. Prior to the change in the law, the amount of principal forgiven was generally considered income to you in the year forgiven, unless you qualified for a tax exclusion. You may wish to consult with a tax advisor about these potential income tax consequences.

Below is an example of how this change in the law could affect a borrower like you.

Example: This year, a borrower enters into a written loan modification agreement that will forgive \$5,000 of the outstanding principal on the borrower's mortgage one year later, two years later, and three years later if the borrower makes monthly mortgage payments on time. Each year, when the \$5,000 is forgiven, the principal balance of the borrower's mortgage is reduced by \$5,000. Prior to the change in the law, the borrower would have been treated as receiving \$5,000 in taxable income each year, and may have had to pay income tax on \$5,000 one year from now, \$5,000 two years from now, and \$5,000 three years from now, even though the borrower did not receive these amounts in cash. Now, as a result of the change in the law, the borrower may not have to pay income tax on \$5,000 one year from now, \$5,000 two years from now, and \$5,000 three years from now, depending on a number of circumstances.

If you complete the offered trial plan and your loan is modified, SPS will notify the Internal Revenue Service of the amount of principal forgiven on IRS Form 1099-C, copies of which will be provided to you by January 31st of the year following the loan modification.

You can find additional information at <http://www.irs.gov>. You can also call the IRS taxpayer hotline at 1-800-829-1040.

You will receive further information about the terms of any loan modification offered to you after you have completed your trial plan. This information may assist you in further evaluating potential income tax consequences related to the loan modification.

Terms Not Modified

All terms and conditions of the current mortgage documents pertaining to this account, including but not limited to the Note, Deed of Trust/Mortgage, or other security instrument, remain in full force and effect, and you agree to comply with those terms and conditions. However, during the term of the Plan you may make the Plan payment instead of the payment required under your mortgage documents. Nothing in the Plan shall be understood or construed to be a satisfaction or release, in whole or in part, of the obligations under the mortgage documents.

Delinquent Taxes and Insurance

You agree to pay any and all delinquent property taxes relating to the real property and provide proof of such payment to SPS prior to the date that the final payment is due under the Plan. You also agree to provide proof of hazard insurance coverage (and, where required, proof of flood insurance coverage) for the real property and deliver such proof of insurance to SPS prior to or on the due date of your first payment. If you fail to provide proof of insurance, SPS may, pursuant to applicable law and SPS policies, purchase insurance on the real property, in which case you agree to repay SPS for such insurance.

You may have entered into a separate advance repayment plan regarding delinquent taxes and insurance. If so, it is possible that the term of that advance repayment plan will extend beyond the term of the Plan, and accordingly, you will continue to make payments under the advance repayment plan as required.

Questions?

At SPS, any of our Customer Care Experts can assist you with answers to your questions about the status or history of your account, document requirements, or any of our available loan resolution options. If you have any questions or concerns, please contact SPS. Our toll-free number is 888-818-6032 and representatives are available Monday through Thursday between the hours of 8 a.m. and 11 p.m., Friday from 8 a.m. to 9 p.m., and Saturday from 8 a.m. to 2 p.m., Eastern Time.

Sincerely,

Select Portfolio Servicing, Inc.

Esta carta contiene información importante concerniente a sus derechos. Por favor, traduzca esta carta. Nuestros representantes bilingües están a su disposición para contestar cualquier pregunta. Llamenos al numero 800-831-0118 y seleccione/marque la opción 2.

This information is intended for informational purposes only and is not considered an attempt to collect a debt.

¹ The Mortgage Forgiveness Debt Relief Act (the "Act") applies to certain types of principal forgiven "before January 1, 2021" or "subject to an arrangement that is entered into and evidenced in writing before January 1, 2021." See 26 U.S.C. § 108(a)(1)(E). Thus, if a borrower enters into a written agreement before January 1, 2021, that provides for principal to be forgiven in or after 2021 provided that the borrower meets certain conditions, then the Act may apply to the principal forgiven pursuant to that written agreement even though the principal forgiveness does not occur until after the current expiration date of the Act.

